

1932

TWENTY-EIGHTH ANNUAL REPORT

OF

BETHLEHEM STEEL CORPORATION

Fiscal Year Ended December 31, 1932

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BETHLEHEM STEEL CORPORATION

Fiscal Year Ended December 31, 1932

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BETHLEHEM STEEL CORPORATION

DIRECTORS

<i>Term Expires 1933</i>	<i>Term Expires 1934</i>	<i>Term Expires 1935</i>
QUINCY BENT	WILLIAM E. COREY	C. AUSTIN BUCK
ARCHIBALD JOHNSTON	EUGENE G. GRACE	O. G. JENNINGS
PAUL MACKALL	C. D. MARSHALL	WILLIAM C. POTTER
R. E. McMATH	GRAYSON M.-P. MURPHY	PERCY A. ROCKEFELLER
ALVIN UNTERMYER	F. A. SHICK	CHARLES M. SCHWAB

OFFICERS

CHARLES M. SCHWAB, . . .	Chairman of the Board
EUGENE G. GRACE, . . .	President
R. E. McMATH, . . .	Vice-President and Secretary
JAMES H. WARD, . . .	Vice-President
WM. J. BROWN, . . .	Treasurer and Asst. Secretary
J. P. BENDER, . . .	Asst. Treasurer
F. A. SHICK, . . .	Comptroller

GENERAL COUNSEL

CRAVATH, DE GERSDORFF, SWAINE & WOOD,
New York City.

AUDITORS

PRICE, WATERHOUSE & Co.
New York City.

REGISTRAR OF STOCK

GUARANTY TRUST COMPANY OF NEW YORK,
New York City.

STOCK TRANSFER DEPARTMENT

25 BROADWAY, NEW YORK CITY.

Incorporated: DECEMBER 10, 1904, IN THE STATE OF NEW JERSEY.

Principal Office of the Corporation: 755 BROAD STREET, NEWARK, N. J.

Agent in Charge of Office: FIDELITY UNION TRUST COMPANY.

New York Office: CUNARD BUILDING, 25 BROADWAY, NEW YORK CITY.

OFFICIALS OF OPERATING COMPANIES

GENERAL OFFICIALS

E. G. GRACE, *President*

N. BERKELEY, *Assistant to President*

R. E. McMATH, *Vice-President and Secretary*

J. P. BENDER, *Treasurer*

W. J. BROWN, *Asst. Secretary and Asst. Treas.*

W. H. JOHNSTONE, *Assistant Secretary*

W. M. DRIVER, *Assistant Secretary*

W. L. ACHENBACH, *Assistant Treasurer*

B. F. ETTER, *Assistant Treasurer*

R. YOUNG, *Asst. Treasurer and Credit Manager*

D. T. AIKENHEAD, *Assistant Treasurer*

F. A. SHICK, *Comptroller*

R. H. SCHLOTTMAN, *Assistant Comptroller*

C. R. HOLTON, *Purchasing Agent*

F. H. BURNETT, *Claims Agent*

R. S. A. DOUGHERTY, *Manager, in Charge of
Research and Patents*

J. M. LARKIN, *Assistant to President, in Charge
of Industrial and Public Relations*

OPERATIONS

STEEL PLANTS

QUINCY BENT, *Vice-President*

R. A. LEWIS, *General Manager, Bethlehem Plant*

L. R. CUSTER, *General Manager, Cambria Plant*

H. A. WHITAKER, *General Manager, Coatesville
and Harlan Plants*

T. BURNS, *General Manager, Lackawanna Plant*

J. H. EDMONDS, *General Manager, Lebanon Plant*

S. J. CORT, *General Manager, Maryland Plant*

F. A. ROBBINS, JR., *General Manager,
Steelton Plant*

RAW MATERIAL PROPERTIES

C. A. BUCK, *Vice-President*

T. R. JOHNS, *General Manager, Coal Properties*

M. L. JACOBS, *General Manager,
Limestone Properties*

A. F. PETERSON, *General Manager,
Cornwall Ore Mines*

E. J. QUACKENBUSH, *General Manager,
Chile Ore Properties*

A. T. DE SERRANO, *General Manager,
Cuba Ore Properties*

SALES

PAUL MACKALL, *Vice-President*

H. G. WALTON, *General Manager of Sales*

G. E. ROUTH, JR., *Vice-President, in Charge
of Sales, Kalman Steel Corporation*

STEEL CONSTRUCTION

(McClintic-Marshall Corporation)

G. H. BLAKELEY, *President*

E. A. GIBBS, *Vice-President,
in Charge of Operations*

C. M. DENISE, *Vice-President, in Charge of Sales*

S. M. BASH, *Vice-President,
in Charge of Export Sales*

TRANSPORTATION

J. M. GROSS, *Vice-President*

H. C. CRAWFORD, *Traffic Manager,
in Charge of Rail Transportation*

H. W. WARLEY, *Traffic Manager,
in Charge of Water Transportation*

SHIPBUILDING AND SHIP REPAIRS

(Bethlehem Shipbuilding Corporation, Ltd.)

S. W. WAKEMAN, *Vice-President*

H. E. D. GOULD, *General Manager,
Fore River Plant*

J. M. WILLIS, *General Manager, Baltimore Plant*

G. H. STEBBINS, *General Manager, Boston Plant*

A. S. GUNN, *General Manager,
West Coast Plants*

OPERATION & SALES PACIFIC COAST

(Pacific Coast Steel Corporation)

W. H. STEWART, *President*

T. S. CLINGAN, *Vice-President,
in Charge of Operations*

P. W. COTTON, *General Manager of Sales*

E. B. HILL, *Vice-President and Treasurer*

J. J. TYNAN, *Vice-President,
Bethlehem Steel Company, West Coast*

BETHLEHEM STEEL CORPORATION

Newark, New Jersey,
March 6, 1933.

To the Stockholders:

The Board of Directors submits herewith the following report of the business and operations of your Corporation and its subsidiary companies for the fiscal year ended December 31, 1932, and of the condition of its properties and finances at the close of that year.

The total income of your Corporation and its subsidiaries for the year before charges for interest and depreciation, was \$594,138 as compared with \$21,386,694 for the preceding year. After deducting interest and other charges of \$6,896,980 and depletion and depreciation charges of \$13,101,589 there was a deficit of \$19,404,431 for 1932 as compared with a net income of \$115,745 for the preceding year.

The value of shipments and deliveries by subsidiary companies of your Corporation during the year, as represented by gross sales and earnings, was \$98,467,226 as compared with \$186,541,195 for the preceding year.

The value of orders booked during the year, including \$132,416 of orders on the books of a corporation whose properties were acquired during the year, aggregated \$87,521,286 as compared with \$159,629,477 for the year 1931. The unfilled orders on December 31, 1932, amounted to \$30,568,937 as compared with \$41,514,877 on December 31, 1931.

Regular quarterly dividends were paid on the Preferred stock on January 2, April 1, and July 1, 1932, and a dividend of \$.50 per share was paid on the Common stock on February 15, 1932. No dividends have been paid or declared since July 1, 1932, your Directors deeming it wise to conserve the cash resources of your Corporation. The dividends accumulated on the Preferred stock on January 1, 1933, amounted to \$3.50 per share.

During 1932 your Corporation purchased through one of its subsidiaries the properties and assets of Seneca Iron & Steel Company, which owned a plant for the manufacture of steel sheets, located at Blasdell, New York, near the Lackawanna Plant. The consideration paid was the assumption of all liabilities by such subsidiary and the delivery of 5,000 shares of Preferred Stock and 10,000 shares of Common Stock of your Corporation. For this purpose 4,421 shares of Common Stock were purchased on the market, the remaining shares being already owned by your Corporation. In connection with this purchase a

bank loan of Seneca was discharged by the delivery at par of \$350,000, principal amount, of the 4½% Serial Gold Bonds of your Corporation referred to in our 1930 report.

On June 1, 1932, your Corporation issued and pledged \$4,000,000, principal amount, of its Consolidated Mortgage Fifty-Year Sinking Fund 5% Gold Bonds, Series C, as additional collateral securing the McClintic-Marshall Construction Company Collateral Trust 5½% Serial Gold Bonds assumed in connection with the McClintic-Marshall purchase, as mentioned in our 1930 report.

\$3,138,000, principal amount, of the Cornwall Collateral Trust Mortgage Thirty-Year 5% Gold Bonds, issued by The Pennsylvania Steel Company and assumed by Bethlehem-Cuba Iron Mines Company, matured and were paid during the year.

The cash expenditures for Additions and Improvements to Properties during the year amounted to \$2,297,340. The estimated cost of completing the construction authorized and in progress as of December 31, 1932, is \$880,000. Work on other items previously authorized but not needed under present conditions was suspended.

The amount of cash and marketable securities held by your Corporation at the end of 1932 was \$46,975,589 as compared with \$50,278,721 at the end of the preceding year. The substantial maintenance of its liquid position, notwithstanding a net reduction of \$10,759,457 in its Funded Debt, the expenditures of \$2,297,340 for Additions and Improvements above mentioned, and dividends paid during the year aggregating \$6,640,000, was made possible in large part by a reduction of \$16,187,861 in inventories.

Operations of your steel plants for the year averaged 16.9% of capacity as compared with 38.6% in 1931. There was a gradual decline in the rate of operations during the first eight months of 1932, followed by a slight temporary improvement. The low point in the rate of operations for the year was reached in December.

The total steel produced in the United States during 1932 was approximately 13,545,000 tons. This is the lowest volume of production since 1901 when 13,473,595 tons were produced, representing 62.8% of the capacity for that year.

The low rate of operations combined with depressed selling prices resulting from highly competitive commercial conditions have made it impossible for your Corporation to earn its fixed charges. On May 16 there was a general reduction in wages of approximately 15% in addition to the reduction of 10% made in the latter part of 1931. Your Management has endeavored in every other way to effect economies in conducting the business of your Corporation and where the conditions affecting costs have been in the control of your Management substantial reductions have been made in both administrative and production costs.

There are, however, important items of cost over which your Management has no control. Among these are local property taxes. Such taxes paid or accrued in 1932 upon the properties of your Corporation, including its share of taxes on properties of companies partially owned, were equivalent to \$4.26 per ton of rolled steel and other finished products produced by your Corporation during the year.

The daily average number of employees in the United States working during the year was 30,364 as compared with 45,258 in 1931. The plan of distributing available work among your regular payroll force, as referred to in our 1930 report, was in effect throughout the year, but its application was rendered increasingly difficult because of the low rate of operations. The earnings of many employees were insufficient to provide the necessities of life, and in these cases some additional assistance has been necessary. This has in general been provided from relief funds to which your Corporation has contributed. In addition, the collection of rents from employees living in company owned houses and of interest on mortgages held by your Corporation on employees' homes has been deferred where circumstances appeared to warrant.

In anticipation of the future abandonment of the blast furnaces, open hearth furnaces and plate mills at the Coatesville Plant a reserve in the amount of \$4,005,837, to provide for the resulting loss has been set up and charged against surplus.

At the end of the year 10,263 employees were the holders of record of 93,954 shares of the Preferred Stock of your Corporation purchased and paid for under the "Employees' Saving and Stock Ownership Plan" described in our report for 1923, and 215 employees were paying in installments for an additional 825 shares. Because of general business conditions no offering under the Plan was made during 1932, and none is contemplated for 1933. As a result of cancellations of subscriptions under the Plan, at the end of the year your Corporation held approximately 6,000 more shares of the Preferred Stock than would be required to fill the uncanceled subscriptions as of December 31, 1932. Accordingly that number of shares of such stock were transferred to the Treasury of your Corporation as of that date.

At the end of the year officers and other employees of your Corporation and its subsidiaries were the holders of record of 214,690 shares of its Common Stock purchased under the Management Stock Ownership Plan referred to in our report for 1929, on account of the purchase price of which they had paid in installments \$2,640,488, exclusive of credits through dividends. Of the total amount of interest which was charged during 1932, pursuant to the Plan, on the unpaid balances of the purchase price, \$107,345 was received and credited to the Income Account of your Corporation. Such interest was received through the dividend on such shares paid February 15, 1932. In view of the prevailing business conditions your Directors have approved extending, pursuant to the Plan, the time for payment of such installments by purchasers having substantially reduced earnings. The trustees under the Plan have not as yet exercised their power to cancel any of

the purchase agreements because of defaults in payment. Purchase agreements under the Plan for 3,290 shares of stock were, however, cancelled during the year pursuant to the Plan, which provides for the automatic cancellation thereof upon the death or termination of the employment of the purchasers and the return with interest of the payments theretofore made by them on account of the purchase price of the shares covered by such agreements.

No payments were made for the year 1932 under the modified Bonus System, referred to in our last previous report, to officers and heads of departments having control of matters affecting your Corporation and its subsidiary companies as a whole.

Your Corporation during 1932 paid \$782,158 in pensions to retired employees as compared with \$699,503 for the previous year. Of the amount paid during 1932, \$544,265 was paid out of the Pension Trust Fund established in 1928. During the year 430 new pensions were granted and 117 were terminated by death or other causes. To provide in part for the new pensions and for pensions granted prior to 1928, \$333,616 was paid into the Pension Trust Fund during 1932. The net amount charged against current earnings during 1932 on account of pensions was \$1,475,640. At the end of the year there were 1,781 retired employees on the pension list. Effective June 1, 1932, all pensions were reduced approximately 15% with a minimum pension of \$15 per month.

During the year \$1,171,049 was paid to sick or disabled employees, or to the dependents of deceased employees, under the Relief Plan described in our report for 1926, out of contributions by the employees made in the form of payroll deductions.

The number of stockholders at the end of the year was 92,577, of whom 3,752 held both Preferred and Common Stock. The number of holders of the Preferred Stock was 35,792 and of the Common Stock was 60,537.

The accounts of your Corporation and its Subsidiary Companies for the year have been audited by Price, Waterhouse & Co., and a copy of their certificate appears on page 11.

Your Board of Directors takes pleasure in acknowledging the loyal and efficient services of the officers and employees of your Corporation and its subsidiary companies.

By order of the Board of Directors.

CHARLES M. SCHWAB,
Chairman of the Board of Directors.

EUGENE G. GRACE,
President.

VOLUME OF BUSINESS

	1932		1931	
	Rolled steel and other finished products (gross tons)	Total value of business (b)	Rolled steel and other finished products (gross tons)	Total value of business (b)
Orders received (a).....	1,282,724	\$87,521,286	2,406,881	\$159,629,477
Billings.....	1,335,416	98,467,226	2,523,564	186,541,195
On hand Dec. 31.....	254,392	30,568,937	307,084	41,514,877

(a) Includes orders on the books of corporations whose properties were acquired, on the respective dates of acquisition.
(b) Includes, in addition to value of products shown in preceding column, value of all other products and other business not measured by the ton unit.

PRODUCTION

	1932 (gross tons)	1931 (gross tons)
Ore.....	1,139,395	3,387,413
Limestone.....	541,106	950,601
Coal.....	1,712,488	3,479,452
Coke.....	1,398,783	2,343,129
Pig iron and ferro-manganese.....	1,187,096	2,202,427
Open hearth, bessemer and electric steel.....	1,614,267	3,319,994
Rolled steel and other finished products for sale.....	1,285,231	2,503,441

RATE OF OPERATION

	Percent of steel produced to rated capacity*	
	1932	1931
First Quarter.....	23.4%	50.8%
Second Quarter.....	18.0%	41.5%
Third Quarter.....	13.3%	32.0%
Fourth Quarter.....	13.0%	30.0%
AVERAGE.....	16.9%	38.6%

* 1931, 8,610,000 gross tons; 1932, 9,540,000 gross tons.

EMPLOYEES AND WAGES (United States only)

	1932	1931
Daily average number of employees working*.....	30,364	45,258
Total wages.....	\$41,183,575	\$75,568,001
Average earnings per hour (exclusive of general administrative and selling force).....	56.6	66.4

* Excluding Saturdays, Sundays and Holidays.

COMPARATIVE INCOME ACCOUNT BY QUARTERS

	Total income	Interest and other charges	Depletion and depreciation	Net income	Preferred dividend	Common dividend	Surplus	Per share common stock after allowing for dividends on preferred stock
Year 1923.....	\$37,373,228	\$12,322,998	\$10,676,078	\$14,374,152	\$ 4,318,253	\$ 7,767,074	\$ 2,288,825	\$ 6.46†
Year 1924.....	33,996,489	13,233,417	11,846,891	8,916,181	4,300,583	2,247,571	2,368,027	2.56
Year 1925.....	38,988,742	13,125,562	12,004,984	13,858,196	4,303,073	.....	9,555,123	5.30
Year 1926.....	45,405,253	12,532,421	12,626,665	20,246,167	6,778,855	.....	13,467,312	7.48
Year 1927.....	40,378,899	11,456,261	13,096,496	15,826,142	6,790,000	.....	9,036,142	5.02
1928								
First Quarter....	\$ 9,574,948	\$ 2,838,145	\$ 3,352,085	\$ 3,384,718	\$ 1,697,500	.....	\$ 1,687,218	\$.94
Second Quarter..	10,767,959	2,841,636	3,396,995	4,529,328	1,697,500	.....	2,831,828	1.57
Third Quarter....	10,491,832	2,809,675	3,409,629	4,272,528	1,697,500	.....	2,575,028	1.43
Fourth Quarter..	12,686,397	2,787,423	3,499,626	6,399,348	1,750,000	\$ 1,800,000	2,849,348	2.58
Total.....	\$43,521,136	\$11,276,879	\$13,658,335	\$18,585,922	\$ 6,842,500	\$ 1,800,000	\$ 9,943,422	\$ 6.52
1929								
First Quarter....	\$15,245,471	\$ 2,780,575	\$ 3,419,306	\$ 9,045,590	\$ 1,750,000	\$ 2,400,000	\$ 4,895,590	\$ 4.05
Second Quarter..	18,069,082	2,773,642	3,528,967	11,766,473	1,750,000	3,600,000	6,416,473	5.33†
Third Quarter....	17,710,173	2,758,544	3,566,909	11,384,720	1,750,000	4,800,000	4,834,720	4.01
Fourth Quarter..	16,444,519	2,904,419	3,493,903	10,046,197	1,750,000	4,800,000	3,496,197	2.75†
Total.....	\$67,469,245	\$11,217,180	\$14,009,085	\$42,242,980	\$ 7,000,000	\$15,600,000	\$19,642,980	\$15.50†
1930								
First Quarter....	\$15,846,506	\$ 2,162,049	\$ 3,606,971	\$10,077,486	\$ 1,750,000	\$ 4,800,000	\$ 3,527,486	\$ 2.60
Second Quarter..	13,025,558	1,746,111	3,587,952	7,691,495	1,750,000	4,800,000	1,141,495	1.86
Third Quarter....	8,943,217	1,636,267	3,523,525	3,783,425	1,750,000	4,800,000	* 2,766,575	.63
Fourth Quarter..	7,418,383	1,628,090	3,499,293	2,291,000	1,750,000	4,800,000	* 4,259,000	.17
Total.....	\$45,233,664	\$ 7,172,517	\$14,217,741	\$23,843,406	\$ 7,000,000	\$19,200,000	*\$ 2,356,594	\$ 5.26
1931								
First Quarter....	\$ 7,551,977	\$ 1,842,454	\$ 3,767,581	\$ 1,941,942	\$ 1,750,000	\$ 3,200,000	*\$ 3,008,058	\$.06
Second Quarter..	6,394,057	1,811,039	3,130,275	1,452,743	1,750,000	1,600,000	* 1,897,257	* .09
Third Quarter....	3,954,960	1,930,181	3,526,781	* 1,502,002	1,750,000	1,600,000	* 4,852,002	* 1.02
Fourth Quarter..	3,485,700	1,842,365	3,420,273	* 1,776,938	1,645,000	.....	* 3,421,938	* 1.07
Total.....	\$21,386,694	\$ 7,426,039	\$13,844,910	\$ 115,745	\$ 6,895,000	\$ 6,400,000	*\$13,179,255	*\$ 2.12
1932								
First Quarter....	\$ 1,431,657	\$ 1,794,039	\$ 3,323,387	*\$ 3,685,769	\$ 1,645,000	.....	*\$ 5,330,769	*\$ 1.66
Second Quarter..	271,174	1,706,129	3,236,311	* 4,671,266	.....	.....	* 4,671,266	* 1.97
Third Quarter....	* 541,756	1,697,488	3,186,480	* 5,425,724	.....	.....	* 5,425,724	* 2.21
Fourth Quarter..	* 566,937	1,699,324	3,355,411	* 5,621,672	.....	.....	* 5,621,672	* 2.27
Total.....	\$ 594,138	\$ 6,896,980	\$13,101,589	*\$19,404,431	\$ 1,645,000	.....	*\$21,049,431	*\$ 8.11

* Deficit.

† Based on average number of shares of stock outstanding during the period.

CERTIFICATE OF AUDITORS

NEW YORK, March 1, 1933.

*To the Board of Directors of
Bethlehem Steel Corporation:*

We have made an examination of the books and accounts of the Bethlehem Steel Corporation and its subsidiary companies for the year ended December 31, 1932, and in our opinion the attached consolidated balance sheet and relative income account are correctly prepared therefrom and fairly set forth the financial position of the combined companies at December 31, 1932, and the result of operations for the year.

PRICE, WATERHOUSE & CO.

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1932

ASSETS

CURRENT ASSETS:		
Cash.....	\$21,976,775	
U. S. Government securities (at cost or market, whichever was lower).....	22,366,287	
Sundry marketable securities (at cost or market, whichever was lower).....	2,632,527	
Accounts and notes receivable.....	12,606,010	
Inventories (see page 18).....	51,468,406	\$111,050,005
STOCK HELD FOR OFFICERS AND OTHER EMPLOYEES (at purchase prices under stock ownership plans, plus interest on unpaid balances received through dividends and credited to income, less payments on account, dividend and other credits; see page 7).....		
		16,673,469
RESERVE FUND ASSETS.....		3,065,805
SUNDRY SECURITIES, AND REAL ESTATE INSTALLMENT CONTRACTS AND MORTGAGES.....		3,549,036
FUNDS IN HANDS OF TRUSTEES		132,100
INVESTMENTS IN AND ADVANCES TO AFFILIATED COMPANIES.....		9,557,764
PROPERTY ACCOUNT (see page 16).....		515,294,408
		<u>\$659,322,587</u>

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1932

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities, including \$4,181,201 reserved for accident compensation and pensions.....	\$ 13,211,825	
Bond interest accrued.....	2,035,079	\$ 15,246,904

FUNDED DEBT (see pages 20, 22 and 23).....	126,212,420
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CAMBRIA IRON COMPANY STOCK (annual rental of 4% payable)	8,465,625
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JOHNSTOWN WATER CORPORATION 6% CUMULATIVE PREFERRED STOCK	1,804,000
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CAPITAL STOCK, SURPLUS AND RESERVES:

7% Cumulative preferred stock (see page 19).....	\$ 93,400,000	
Common stock (see page 19).....	\$315,900,000	
Surplus (see page 15).....	89,221,676	
Contingent reserve.....	3,071,962	
Insurance reserve.....	6,000,000	414,193,638
		507,593,638

\$659,322,587

No dividends have been paid or declared on 7% Cumulative preferred stock since July 1, 1932.

INCOME ACCOUNT

	1932	1931	DECREASE
GROSS SALES AND EARNINGS..... <i>Selling value (f.o.b. mill) of products shipped and gross receipts from all other classes of business, less sales commissions, license fees, provision for doubtful accounts, returns and other allowances, Inter-company sales excluded.</i>	\$ 98,467,226	\$186,541,195	\$ 88,073,969
DEDUCT: COST OF SALES AND OTHER EXPENSES..... <i>Manufacturing cost, operating expenses and expense of carrying idle properties; administrative, selling and general expense, including salaries and bonus to officers and other employees; provisions for depreciation, maintenance, etc. (see page 17); property and state taxes, federal and foreign income taxes, commercial interest and discount, provision for pensions, inventory adjustments and provision for the corporation's proportion of expense of carrying idle properties of partly owned companies and other miscellaneous items.</i>	99,708,995	168,717,350	69,008,355
NET OPERATING INCOME.....*	\$ 1,241,769	\$ 17,823,845	\$ 19,065,614
ADD: OTHER INCOME..... <i>Interest on investments, notes receivable and bank balances including interest on deferred payments on stock sold to officers and other employees, dividends and other miscellaneous income.</i>	1,835,907	3,562,849	1,726,942
TOTAL INCOME.....	\$ 594,138	\$ 21,386,694	\$ 20,792,556
DEDUCT: INTEREST AND OTHER CHARGES.. <i>Interest on funded and miscellaneous debt; interest on amounts refunded to officers and other employees upon cancellation of contracts under Management Stock Ownership Plan; net discount of \$13,449 in 1931 and \$219,321 in 1932 on bonds purchased; dividends on stock of Cambria Iron Company and on preferred stock of Johnstown Water Corporation, and earnings applicable to minority stock of Johnstown Water Company.</i>	6,896,980	7,426,039	529,059
BALANCE.....*	\$ 6,302,842	\$ 13,960,655	\$ 20,263,497
DEDUCT:			
PROVISION FOR DEPLETION..... <i>To provide for exhaustion of ore, coal and limestone in mining properties.</i>	\$ 170,064	\$ 403,983	\$ 233,919
PROVISION FOR DEPRECIATION..... <i>To provide for retirement of property when withdrawn from service on account of obsolescence or inadequacy. This is in addition to provision through charges to current expense and contingent reserve account as shown on page 17.</i>	12,931,525	13,440,927	509,402
NET INCOME.....*	\$ 19,404,431	\$ 115,745	\$ 19,520,176

*Deficit.

SURPLUS ACCOUNT

SURPLUS, DECEMBER 31, 1931		\$114,844,280
DEDUCT:		
Deficit (see page 14)		<u>19,404,431</u>
TOTAL		\$ 95,439,849
DEDUCT DIVIDENDS:		
Preferred stock (paid July 1)		<u>\$ 1,645,000</u>
BALANCE		\$ 93,794,849
DEDUCT:		
Net adjustment in respect of transfer of buildings and equipment from Coatesville Plant to other plants of the Corporation	\$ 567,336	
Reserve to cover anticipated loss in respect of land, buildings and equipment at Coatesville Plant when sold, or abandoned	<u>4,005,837</u>	<u>4,573,173</u>
SURPLUS, DECEMBER 31, 1932		\$ 89,221,676

PROPERTY ACCOUNT

Gross properties owned and leased (depletion and amortization deducted), December 31, 1931.....		\$749,808,232	
Cash expenditures for additions and improvements including unabsorbed charges for stripping and development at mines and quarries.....		2,297,340	
Properties otherwise acquired (less amortization provided):			
Manufacturing properties.....	\$2,296,228		
Through cancellation of sales of real estate, including sales to employees..... (net)	417,535	2,713,763	\$754,819,335
Less the following:			
Depletion.....		\$ 170,064	
Property and equipment dismantled, retired or sold less depletion and amortization provided:			
Charged to surplus account.....	*\$4,573,173		
Charged to depreciation account.....	4,648,713	9,221,886	9,391,950
Gross properties owned or leased (depletion and amortization deducted), December 31, 1932.....			\$745,427,385
Less:			
Reserve for depreciation, etc. (see page 17).....			230,132,977
Net property, December 31, 1932.....			\$515,294,408

* Includes \$4,005,837 for property and equipment at Coatesville to be sold, dismantled, or abandoned in the future.

DEPRECIATION, RENEWAL AND MAINTENANCE ACCOUNTS

	Balance December 31, 1931	CREDITS DURING THE YEAR				EXPENDITURES AND CHARGES DURING THE YEAR			Balance December 31, 1932
		Provided through charges to income	Provided through current expense and contingent reserve account	Reserves accrued to date of acquisition of properties acquired	Credit for property and equipment dismantled, retired or sold	Expenditures			
						For improve- ments and extra- ordinary renewals	For other purposes	Property and equipment dismantled, retired or sold, less depletion and amorti- zation provided	
Reserves for									
Depreciation of, improvements to and rebuilding and relining of coke ovens, blast furnace stacks and stoves, melting and heating furnaces.....	\$ 24,529,767	.....	\$ 2,643,926	\$ 19,500	.....	\$ 132,881	\$ 1,903,525	\$ 179,300	\$ 24,977,487
Replacement and upkeep of rolls, moulds, stools, charging boxes, foundry flasks, annealing boxes, and dies.....	18,999,775	.....	1,771,508	297,152	\$ 189,648	.....	1,481,631	910,924	18,865,528
Other repairs and maintenance...	1,245,730	.....	6,716,568	.....	.....	917,518	5,755,311	.....	1,289,469
Depreciation all other property...	174,219,350	12,931,525	473,143	777,978	156,986	.....	.....	3,558,489	185,000,493
Total.....	\$218,994,622	\$12,931,525	\$11,605,145	\$1,094,630	\$ 346,634	\$ 1,050,399	\$ 9,140,467	\$4,648,713	\$230,132,977
Total previous year.....	.....	\$13,440,927	\$23,724,834	\$1,830,321	\$ 716,130	\$ 2,773,445	\$17,850,185	\$8,813,662	.....

INVENTORIES

Inventories were valued at cost or market, whichever was lower, and do not include inter-department, inter-plant or inter-company profit

	December 31, 1932	December 31, 1931
Ore, cinder and scale	\$19,052,527	\$22,534,053
Limestone and other fluxes	1,343,835	1,486,046
Fuel and by-products thereof	1,977,151	3,081,063
Pig iron, ferro-manganese, iron scrap and carbon steel scrap ..	11,819,323	13,697,885
Nickel, nickel steel scrap, alloys, alloy scrap and brass foundry materials and products	781,919	1,401,938
Manufacturing supplies, lumber, merchandise, etc., not otherwise classified	1,939,978	3,088,746
Ingots, blocks and steel and iron castings	671,566	917,053
Blooms, slabs, billets, skelp, bars, rods, sheets, tin plate and axle forgings	5,664,286	8,586,161
Structural material, plates, rails and rail accessories	2,685,257	4,155,449
Wire and wire products, car wheels, axles, pipe, tubes, bolts, nuts and other miscellaneous finished products	3,127,310	4,490,797
Uncompleted contract work, less bills rendered on account	2,043,731	3,848,811
Material in transit	361,523	368,265
TOTAL	\$51,468,406	\$67,656,267

CAPITAL STOCK

7% CUMULATIVE PREFERRED STOCK—\$100 PAR VALUE:

Authorized.....	\$100,000,000	
Less—Held in Treasury	6,600,000	
Issued and outstanding December 31, 1932*		\$ 93,400,000
Issued and outstanding December 31, 1931.....	\$94,000,000	
Less—Acquired by the Corporation, including shares made available through cancellation of employees' stock purchase contracts, and transferred to Treasury	600,000	
Issued and outstanding December 31, 1932.....	\$93,400,000	

COMMON STOCK—WITHOUT PAR VALUE:

		<u>Shares</u>	
Authorized.....		5,000,000	
Unissued	1,797,101		
Held in Treasury	2,899	1,800,000	
Issued and outstanding December 31, 1932*		3,200,000	\$315,900,000
Total capital stock issued and outstanding December 31, 1932*			\$409,300,000

* Includes Shares held for officers and other employees under the stock ownership plans.

SUMMARY OF FUNDED DEBT

	1932	SUMMARY SINCE ORGANIZATION
December 31, 1931:		
In hands of public.....	\$136,971,877	.....
In treasury.....	39,288,400	.....
TOTAL.....	\$176,260,277	.....
Issued for cash:		
Invested in additions to property and working capital.....		\$146,076,460
To retire debt.....		86,953,000
Previously issued or assumed and held in treasury, subsequently applied to sinking fund requirements.....	944,000	47,384,000
Issued in payment for properties acquired.....		106,818,500
Issued in exchange for previous issues.....		20,007,000
Issued and retained in treasury.....	3,056,000	34,752,500
Assumed on account of properties acquired:†		
In hands of public.....	86,543	107,264,029
In treasury.....		1,626,000
TOTAL ISSUED AND ASSUMED.....	\$180,346,820	\$550,881,489
Retired:		
With cash provided through charges against income for depletion and depreciation.....	\$ 9,118,500	\$144,866,654
With cash realized from sale of bonds and notes.....		86,953,000
With cash realized from sale of common stock.....		82,051,515
With bonds and notes previously issued or assumed and held in treasury.....	944,000	47,384,000
By exchange for subsequent issues.....		19,342,000
TOTAL RETIRED.....	\$ 10,062,500	\$380,597,169
December 31, 1932:		
In hands of public.....	\$126,212,420	\$126,212,420
In treasury.....	44,071,900	44,071,900
TOTAL.....	\$170,284,320	\$170,284,320

† Including obligations of subsidiary companies outstanding at date of acquisition of their stock.

FUNDS IN HANDS OF TRUSTEES AND SINKING FUND OPERATIONS

Cash in hands of trustees, December 31, 1931.....	\$ 141,402	.....
Proceeds from mortgaged property released.....	6,171,651	\$ 42,199,643
Income from cash and securities, deposited with trustees.....		3,854
Cash paid to trustees, less refunds.....	3,514,919	320,553,533
TOTAL.....	\$ 9,827,972	\$362,757,030
Amount paid for funded debt matured:		
Par value.....	\$ 10,062,500	\$361,255,169
Add net premium.....	* 366,628	1,369,761
TOTAL.....	\$ 9,695,872	\$362,624,930
Cash in hands of trustees, December 31, 1932.....	\$ 132,100	\$ 132,100

* Discount

DISPOSITION OF CAPITAL, EARNINGS AND OTHER RESOURCES

	ADDITIONS DURING 1932	SUMMARY SINCE ORGANIZATION
CAPITAL, EARNINGS AND OTHER RESOURCES:		
Capital stock issued:		
For cash.....		\$249,174,475
For property acquired.....		132,789,900
For stock dividend and conversion, less amount acquired by the Corporation.....	* \$ 600,000	27,335,625
Cambria Iron Company stock.....		8,465,625
Johnstown Water Corporation 6% cumulative preferred stock..		1,804,000
Funded debt.....	* 10,759,457	126,212,420
Current liabilities.....	* 10,316,599	15,246,904
Net income.....	* 19,404,431	298,179,516
Sundry reserves.....	* 199,529	9,071,962
TOTAL.....	* \$ 41,280,016	\$868,280,427
DISPOSITION:		
Property accounts.....	* \$ 15,519,202	\$515,294,408
Investments in and advances to affiliated companies.....	474,469	9,557,764
Funds in hands of trustees.....	* 9,302	132,100
Reserve fund assets.....	2,370	3,065,805
Sundry securities, and real estate installment contracts and mortgages.....	* 561,377	3,549,036
Dividends:		
In cash.....	1,645,000	166,759,229
In stock.....		30,000,000
Premium on stock sold, converted or redeemed, less par value of stock represented by cancelled scrip.....		3,439,935
Premium on bonds redeemed.....		3,737,604
Cash.....	* 1,489,978	21,976,775
Marketable securities.....	* 1,813,154	24,998,814
Accounts and notes receivable.....	* 11,332,203	12,606,010
Inventories.....	* 16,187,861	51,468,406
Stock held for officers and other employees.....	* 1,061,951	16,673,469
Adjustment of property account.....	4,573,173	5,021,072
TOTAL.....	* \$ 41,280,016	\$868,280,427

* Decrease.

SCHEDULE OF FUNDED DEBT, DECEMBER 31, 1932

CHARACTER OF DEBT	Rate	Total issued or assumed (a)	In treasury	Purchased for sinking fund or cancelled	In hands of public	Date of maturity
BETHLEHEM STEEL CORPORATION						
CONSOLIDATED MORTGAGE						
Fifty-Year Sinking Fund Gold Bonds —Series C.....	5%	\$20,000,000	(b) \$20,000,000			July 1, 1981
Serial Gold Bonds.....	4½%	13,700,000	2,154,000	\$ 1,370,000	\$10,176,000	(c)
BETHLEHEM STEEL COMPANY						
First Lien and Refunding Mortgage Thirty-Year Gold Bonds.....	5%	40,000,000	(d) 11,783,000	15,457,500	12,759,500	May 1, 1942
BETHLEHEM-CUBA IRON MINES COMPANY						
Penn-Mary Coal Company First Mortgage Thirty-Year Sinking Fund Gold Bonds (assumed).....	5%	1,545,000	19,000	1,081,000	445,000	Apr. 1, 1939
Union Coal and Coke Company First Mortgage Thirty-Year Sinking Fund Gold Bonds (assumed).....	5%	2,879,000		911,000	1,968,000	Nov. 1, 1946
Pittsburgh-Westmoreland Coal Company First Mortgage Forty-Year Sinking Fund Gold Bonds (assumed).....	5%	3,929,000	1,305,000	139,000	2,485,000	May 1, 1947
BETH-MARY STEEL CORPORATION						
Bethlehem Steel Company Purchase- Money Mortgage Gold Bonds (assumed)	6%	7,500,000			7,500,000	Aug. 1, 1998
Bethlehem Steel Company Purchase- Money and Improvement Mortgage Twenty-Year Sinking Fund Gold Bonds (assumed).....	5%	36,134,000	(e) 2,955,000	10,875,000	22,304,000	July 1, 1936
Midvale Steel and Ordnance Company Twenty-Year Convertible Sinking Fund Gold Bonds (assumed).....	5%	(f) 42,655,500	1,954,000	9,194,000	31,507,500	Mar. 1, 1936
Penn-Mary Steel Company First Mort- gage Twenty-Year Sinking Fund Gold Bonds (assumed).....	5%	6,660,000	169,500	2,044,000	4,446,500	Jan. 1, 1937
McClintic-Marshall Construction Com- pany Collateral Trust Serial Gold Bonds (assumed).....	5½%	12,000,000	174,000	2,000,000	9,826,000	(g)
BETHLEHEM IRON & STEEL CORPORATION						
Lackawanna Steel Company First Consoli- dated Mortgage Gold Bonds (assumed).	5%	6,891,000	291,000	108,000	6,492,000	Mar. 1, 1950
Kalman Steel Company First Mortgage Gold Bonds (assumed).....	6%	240,000	52,400	30,000	157,600	(h)

(a)—Including obligations of subsidiary companies outstanding at date of acquisition of their stocks

(b)—Pledged as collateral under McClintic-Marshall Construction Company Collateral Trust Serial Gold Bonds.

(c)—\$794,000 due January 1, 1933; \$1,173,000 due January 1, in each of the years 1934 to 1939, inclusive; and \$1,172,000 due January 1, in each of the years 1940 and 1941.

(d)—Pledged as collateral under Consolidated Mortgage.

(e)—Including \$1,793,000 pledged as collateral under Consolidated Mortgage.

(f)—Including \$1,749,000 held in treasury on March 30, 1923.

(g)—\$1,826,000 due December 1, 1933, and \$2,000,000 due December 1, in each of the years 1934 to 1937, inclusive.

(h)—Due serially on February 1, in each of the following years: 1933, \$18,000; 1934, \$25,000; 1935, \$23,600; 1936, \$20,000; 1937, \$23,000; 1938, \$26,000; 1939, \$22,000.

SCHEDULE OF FUNDED DEBT—Continued

CHARACTER OF DEBT	Rate	Total issued or assumed (a)	In treasury	Purchased for sinking fund or cancelled	In hands of public	Date of maturity
<u>BETHLEHEM MINES CORPORATION</u>						
Finch Run Coal Company Purchase-Money Mortgage Thirty-Year Sinking Fund Gold Bonds (assumed).....	5%	\$ 4,200,000	\$ 728,000	\$ 316,000	\$ 3,156,000	June 1, 1950
Jamison Coal and Coke Company Dakota Mortgage Sinking Fund Gold Bonds (assumed).....	5%	1,361,000	.....	1,185,000	176,000	Jan. 1, 1934
Penn-Mary Coal Company First Mortgage Twenty-Year Sinking Fund Gold Bonds (assumed).....	5%	5,000,000	91,000	2,729,000	2,180,000	Oct. 1, 1939
<u>BETHLEHEM SHIPBUILDING CORPORATION, LTD.</u>						
Fore River Shipbuilding Corporation First Mortgage Serial Gold Bonds (assumed).....	5%	750,000	.....	710,000	40,000	July 1, 1933
<u>THE MANUFACTURERS WATER COMPANY</u>						
First Mortgage Sinking Fund Gold Bonds..	5%	2,500,000	9,000	1,489,000	1,002,000	June 1, 1939
<u>PACIFIC COAST STEEL CORPORATION</u>						
Serial Gold Bonds.....	5%	22,040,000	2,387,000	10,360,000	9,293,000	(j)
		\$229,984,500	\$44,071,900	\$59,998,500	\$125,914,100	
Miscellaneous Real Estate Mortgages....					298,320	
					\$126,212,420	

(j)—Due serially on January 15 in each of the following years: 1933, \$286,000; 1934, \$826,500; 1935, \$1,667,500; 1936, \$1,204,000; 1937, \$1,595,000; 1938, \$1,514,000; 1939, \$1,453,000; 1940, \$747,000.

PROPERTIES OWNED OR LEASED BY SUBSIDIARY COMPANIES

STEEL AND MANUFACTURING PLANTS

Pig iron capacity as of Jan. 1, 1933 . . . 6,375,000 gross tons
Steel capacity as of Jan. 1, 1933, . . . 9,360,000 gross tons

<i>Plant</i>	<i>Location</i>
BETHLEHEM PLANT.....	BETHLEHEM, PA.
CAMBRIA PLANT.....	JOHNSTOWN, PA.
COATESVILLE PLANT.....	COATESVILLE, PA.
HARLAN PLANT.....	WILMINGTON, DEL.
KALMAN PLANT.....	BLASDELL, N. Y.
LACKAWANNA PLANT.....	LACKAWANNA, N. Y.
LEBANON PLANT.....	LEBANON, PA.
LOS ANGELES PLANT.....	VERNON, LOS ANGELES, CALIF.
MARYLAND PLANT.....	SPARROWS POINT, MD.
SEATTLE PLANT.....	SEATTLE, WASH.
SOUTH SAN FRANCISCO PLANT...	SO. SAN FRANCISCO, CALIF.
STEELTON PLANT.....	STEELTON, PA.

FABRICATING WORKS

<i>Plant</i>	<i>Location</i>
BETHLEHEM WORKS.....	BETHLEHEM, PA.
BUFFALO WORKS.....	BUFFALO AND LACKAWANNA, N. Y.
CARNEGIE WORKS.....	CARNEGIE, PA.
SAN FRANCISCO WORKS.....	SAN FRANCISCO, CALIF.
GARRIGUES WORKS.....	DUNELLEN, N. J.
HEDDEN WORKS.....	HILLSIDE, N. J.
HAY WORKS.....	NEWARK, N. J.
LOS ANGELES WORKS.....	LOS ANGELES, CALIF.
MORAVA AND KENWOOD WORKS.....	CHICAGO, ILL.
POTTSTOWN WORKS.....	POTTSTOWN, PA.
RANKIN WORKS.....	RANKIN, PA.
LEETSDALE WORKS.....	LEETSDALE, PA.
STEELTON WORKS.....	STEELTON, PA.

SHIPBUILDING AND SHIP REPAIR PLANTS

<i>Plant</i>	<i>Location</i>
BALTIMORE PLANT....	SPARROWS POINT AND BALTIMORE, MD.
FORE RIVER PLANT.....	QUINCY, MASS.
BOSTON PLANT.....	BOSTON, MASS.
UNION PLANT.....	SAN FRANCISCO AND SAN PEDRO, CALIF.

EQUIPMENT—1,478 by-product coke ovens with apparatus for the recovery and rectification of benzol products; 2 sintering departments; 28 blast furnaces; 11 bessemer converters; 127 open hearth furnaces; 7 electric furnaces; 11 puddling furnaces; 26 charcoal iron knobbling furnaces; 13 blooming mills; 3 slabbing mills; 15 billet sheet bar and skelp mills; 3 "Bethlehem" special structural shape mills; 5 standard structural shape mills; 3 universal plate mills; 4 sheared plate mills; 1 universal and sheared plate mill; 3 rail mills; 5 bar and structural shape mills; 29 bar mills; 2 wire rod mills; 2 butt weld pipe mills; 2 lap weld pipe mills; 1 tube mill; 1 puddle mill; 1 muck bar mill; 2 rolled steel wheel mills; 48 tin plate mills with 36 tinning stacks; 28 sheet mills with 4 galvanizing pots; 2 sheet jobbing and light plate mills; 2 wire drawing, wire finishing and nail departments; 1 cold drawing department; 2 press and hammer forge shops; 1 drop forge department; 1 axle forging department; 2 steel foundries; 7 iron foundries; 8 brass foundries; 1 steel, iron and brass foundry; 1 ingot mould foundry; 1 roll foundry; 1 roll finishing shop; 1 special treatment plate department; 1 forge specialty and projectile department; 1 steel treatment department; 3 commercial machine shops; 6 ship machine shops; 1 steel and wood freight car department; 1 passenger-train car plant; 1 small tool department; 18 structural fabricating shops; 1 tank and plate shop; 1 tower department; 6 ship fabricating shops; 2 ship boiler shops; 3 splice bar and tie plate shops; 2 frog and switch departments; 4 bolt, nut and spike factories; 1 agricultural implement and rail anchor shop; 1 plate flanging and pressing department; 1 wire forming shop; 14 warehouses for steel products 11 with facilities for fabricating reinforcing bars; 1 welded joist shop; 1 expanded joist and metal door frame shop; 1 brickyard; 27 building ways with cranes; 1 barge building department; 7 graving docks; 10 floating dry docks; 3 marine railways; 6,492 acres of manufacturing site; 7,786 acres of other real estate; 2,637 dwellings, stores, welfare and miscellaneous buildings for employees.

IRON ORE PROPERTIES

Two-thirds interest in Corsica Iron Company, two-thirds interest in Hobart Iron Company, fifty-one per cent interest in Mahoning Ore and Steel Company (fifty per cent held under Cambria Iron Company lease), forty-five per cent interest in Hoyt Mining Company, two-ninths interest in Bennett Mining Company and one-third interest in Campbell Mining Company, which operate under lease properties in the Mesaba Range.

Full ownership of Sunday Lake Iron Company, two-fifths interest in Plymouth Mining Company, and one-half interest in Odanah Iron Company, which operate under lease properties in the Gogebic Range.

One-half interest in The Negaunee Mine Company, and fifty-one per cent interest in Palmer Mining Company, which operate under lease properties in the Marquette Range.

Full ownership of Penn Iron Mining Company (held under Cambria Iron Company lease) and one-half interest in The Verona Mining Company, which operate under lease properties in the Menominee Range.

One-fourth interest in Vermillion Mining Company, which operates under lease properties in the Vermillion Range.

Three-fifths interest in Cuyuna Ore Company, which operates properties under lease, and three-fifths interest in Lehigh Ore Company, which has an interest in a mining company operating properties under lease in the Cuyuna Range.

The share interest in the above mentioned properties makes available approximately 7,350,000 tons of iron ore per annum.

Ore mines located in Cornwall Borough, Pa., and concentrating and sintering plant in Lebanon, Pa., equipped to produce 750,000 tons of sintered ore per annum.

Tofo Iron Ore Mines located near Cruz Grande in province of Coquimbo, Chile, operated under long term lease and equipped to produce 1,500,000 tons of iron ore per annum.

Undeveloped property located in the state of Michoacan, Republic of Mexico.

Property located near Santiago on south coast of Cuba equipped to produce 280,000 tons of iron ore per annum.

Property and mineral rights located near Nipe Bay, on north coast of Cuba, equipped to produce 500,000 tons of nodules per annum.

The iron ore properties referred to (excluding those on the north coast of Cuba, and in Mexico and excluding interest of others in properties not owned outright) are estimated to contain 178,386,000 tons of iron ore.

COAL PROPERTIES

Developed coal properties in the vicinity of Ellsworth, Heilwood, Johnstown, Marianna and Slickville, Pennsylvania; Fairmont and Morgantown, West Virginia.

These properties are estimated to contain 637,036,000 tons of coal and are equipped to produce 10,500,000 tons per annum.

LIMESTONE PROPERTIES

Quarries located at Bethlehem, Bridgeport, Hanover, Naginney, Steelton and York, Pennsylvania; McAfee, New Jersey; and undeveloped properties in Center county, Pennsylvania;

Pekin, New York; and Felton, Cuba. The developed properties are estimated to contain 122,492,000 tons of calcite and dolomite limestone and are equipped to produce 1,940,000 tons per annum for consumption at the steel plants and 720,000 tons for building and road purposes.

RAILROADS

Seven railroad companies operating in the vicinity of plants located at Bethlehem, Johnstown, Lebanon and Steelton, Pennsylvania; Lackawanna, New York; Sparrows Point, Maryland; and Quincy, Massachusetts.

These railroads own and operate 136 standard gauge steam locomotives, 2 electric locomotives, 192 seventy-ton standard gauge cars and approximately 352 miles of main line, yard tracks and sidings, connecting with other common carrier railroads.

In addition to the above, 13 standard gauge locomotives and 199 miles of main line, yard track and sidings are owned and operated in conjunction with the steel plants.

OCEAN TRANSPORTATION

Five ore and coal carrying vessels of 20,000 d. w. t. capacity each; two ore carrying vessels of 11,600 d. w. t. capacity each, one ore and coal vessel of 6,000 d. w. t. capacity, and thirteen general cargo carrying vessels of 111,695 total d. w. t. capacity; and under charter two ore and coal carrying vessels of 20,000 d. w. t. capacity each.

LAKE TRANSPORTATION

Eight vessels with a total carrying capacity per trip of 82,000 gross tons, and over fifty-one per cent interest in three and sixty-two per cent interest in two additional vessels with a total carrying capacity per trip of 48,200 gross tons, and under charter three vessels with a carrying capacity per trip of 38,000 gross tons. These vessels have a total carrying capacity per season of approximately 3,900,000 gross tons of iron ore, and are also suitable for carrying coal, limestone and grain.

PRODUCTS

AGRICULTURAL STEEL AND SPECIALTIES—Standard and special shapes and sections for all purposes; semi-finished agricultural implement parts.

ARMOR PLATE.

AUTOMOBILE STEEL—For forgings and machined parts, wheel rim sections, springs, axles and brake drums.

AUTOMOBILE TIRE MOULDS AND RINGS, ROLLED STEEL.

AUXILIARY LOCOMOTIVES—Four and six-wheel types.

AXLES—Passenger and freight train car, engine and tender truck, driving, motor, and electric and mine locomotive and car.

BARS, IRON—Chain, staybolt, special staybolt, enginebolt and muck bar.

BARS AND BANDS, STEEL—Bessemer, open hearth and electric; alloy, special and carbon steels; black as rolled, annealed, heat treated, cold drawn, turned or ground; S. A. E. specifications and special analysis, suitable for all purposes. Special sections, hot rolled or cold drawn.

BARS, CONCRETE REINFORCING STEEL—Plain or deformed; bent and placed; spirals.

BARS, RAIL STEEL—Plain, deformed, bent and placed; angles.

BILLETS, BLOOMS AND SLABS, STEEL—Bessemer, open hearth and electric; alloy, special and carbon steels; re-rolling and forging quality.

BLANKS, ROLLED—For gears, pistons, fly wheels, double flanged track wheels, sheaves, turbine wheel discs, shaft couplings, pipe flanges, brake drums and other circular forgings.

BOILERS—"Bethlehem" Marine, Scotch and Yarrow types.

BOILER TUBES, LAP WELDED—Knobbed charcoal iron, and steel.

BOLTS—All kinds: plain and galvanized; machine and special; plain and heat treated; carbon, alloy and "Mayari;" steel frog, track and fitting-up bolts; hollow and solid stay bolts. Rods—tie, silo, radiator, structural and pulley. Pipe bands.

BRIDGES, BUILDINGS AND OTHER STRUCTURES—Designs for and fabrication and erection of all types of fabricated steel bridges and buildings, subways, towers for power transmission lines, oil refinery plants, pier caissons, buckle plates, display signs, and miscellaneous structures.

BUILDING SPECIALTIES—Door frames, metal lath, furring and lathing products; bar supports and spacers; column forms; removable and permanent steel tile for concrete construction.

BY-PRODUCTS—Coke oven gas, tar, ammonium sulphate, crude phenol, crude naphthalene, benzol and its homologues, cyanogen sludge; copper and sulphur concentrates; ammoniacal liquor.

CARS, MINE—All types.

CARS, PASSENGER TRAIN—Passenger, baggage, express, mail, dining, combination passenger and baggage, baggage and mail and other combinations, gas-electric, private and special cars.

CARS, FREIGHT—Ballast, gondola, hopper, flat, tank and box; underframes and trucks; forged, pressed and fabricated car parts.

CAR WHEELS, WROUGHT STEEL—For freight and passenger cars; engine and tender trucks; street, inter-urban, elevated and subway cars; mine locomotives and cars; cinder, ore and other industrial cars.

CASTINGS—Carbon and alloy steel (open hearth and electric), manganese steel, stainless-clad steel, iron, brass and bronze; rough as cast or machined tunnel segments, iron and steel. Centrifugal cast bronze sleeves and liners.

COKE—Furnace, foundry and domestic.

DROP FORGINGS AND UPSETTER FORGINGS—Special designs, large and small sizes, in carbon and alloy open hearth and electric high speed and stainless steels; copper, brass, bronze and monel metal. Annealed or heat treated if desired.

ENGINES—Steam, marine type; gas; and "Bethlehem" large unit oil.

FENCING—"Cambria" woven wire fence for field, poultry and all other purposes; fence posts.

FERRO-MANGANESE.

FORGINGS—Hydraulically pressed and hammered; all sizes; carbon and alloy steels; solid and hollow; rough and finish machined; for marine and stationary engines, turbines, generators, machine tools; ship shafting; weldless chambers for oil refineries; tool joints for drills; seamless pen-stocks; high pressure seamless boiler drums and chemical vessels; cylinders for aircraft engines; and other types of punched and drawn forgings.

FROGS AND SWITCHES—Frogs, switches, guard rails, crossings, switch stands, switch heaters, steam and street railway special work. Manganese steel trackwork of every description. Light rail trackwork for mines and industrial plants.

FUEL OIL BURNING SYSTEMS—"Bethlehem-Dahl" mechanical type, for marine and land service.

GEARS AND PINIONS—Cut and cast bevel; spur, with straight or herringbone cut teeth, any size; mill reduction gearing and pinions; for bridge operating machinery.

INGOT MOULDS, STOOLS AND BOTTOM PLATES—All sizes.

PRODUCTS—Continued

JOISTS (open web)—“MacMar” and “Kalmantruss.”

MACHINERY—Hydraulic presses, pumps, accumulators, intensifiers, plate bending rolls, rolling mill machinery, heavy duty roll lathes, vulcanizing plates and presses, mechanical doublers, paraffine wax plant equipment, retorts, gold dredges, mining machinery, special machinery of all types and designs.

NAILS, WIRE—All kinds; standard and special sizes; galvanized, cement coated, annealed, blued, and bright; spikes; wire staples for fence and netting.

NUTS—Hot and cold pressed; all sizes, shapes and standards; blank or tapped, cold punched, chamfered, trimmed and reamed; semi-finished; castle; slotted; “Bethlehem” treated.

OIL SEPARATORS—Marine type; for separating oil from bilge and ballast water.

OIL WELL DERRICKS AND EQUIPMENT.

ORE, CHROME.

ORDNANCE—Projectiles; gun and shell forgings.

PIG IRON—Basic, bessemer, semi-bessemer, foundry, low phosphorus, malleable, malleable bessemer, “Mayari.”

PILING—“Bethlehem (Lackawanna)” steel sheet piling (new and used); straight, arched, deep-arched and bent webs; rolled and fabricated corners; tees and taper piles.

PIPE, STEEL—Standard, butt and lap-welded, and line pipe; black, galvanized and special rust resisting; copper bearing. Riveted, electric welded, and lockbar pipe.

PIPE COUPLINGS—Forged.

PLATES—Universal and sheared, in all grades for all purposes; slabs; flanged and dished heads; miscellaneous pressed plate work.

PLATE WORK—Steel plate construction of all kinds; gas holders, oil and water tanks, barges, blast furnace stacks and stoves, metal mixers, hot metal ladles, stacks, etc.

POLE LINE MATERIAL—Black and galvanized.

PROPELLERS—Propellers; contra propellers, contra rudders, and simplex rudders for all type vessels.

RAILS AND ACCESSORIES—Standard tee, girder, guard, high tee and light rails; splice bars, rail joints, tie plates, bolts, nuts, rail clips, spikes, and rail anchors.

RIVETS, STEEL AND IRON—Boiler, structural and ship.

ROAD REINFORCEMENT—Bar mats, wire mesh, center strip, asphalt expansion joints, road chairs and accessories.

RODS, WIRE—Basic, acid open hearth, and bessemer. Patented spring rods.

ROLLS—Carbon and alloy steel; chilled and sand cast iron. Hardened steel rolls.

SHEET BARS—Open hearth and bessemer.

SHEETS—Hot rolled, blue annealed, hot rolled annealed, cold rolled, vitreous enameling, furniture, automobile, and special finish sheets. Galvanized, flat and formed sheets. “Beth-cu-loy” (copper bearing) sheets.

SKELP—Universal and sheared.

SPIEGELEISEN.

SPIKES—Standard railroad, screw track, universal screw, tie plate screw, boat, dock and wharf.

STONE—Limestone and limestone sand for concrete and road work; “Bitrodite” road material.

STRUCTURAL SHAPES—“Bethlehem” beams, girder beams and columns, “Bethlehem” joists and stanchions; standard and bar size beams, channels, and angles; car and shipbuilding shapes; standard and special T and Z bars; rolled steel slabs for column bases and column covers.

SUCKER RODS—Box and pin type; double pin type with coupling; pull rods with turtle backs; sub-polished and pony rods.

TIES, STEEL CROSS—Railroad, industrial and mine.

TIN PLATE—Coke tin plate; black plate; special lithographing, galvanizing and enameling stock.

TOOL STEEL—“Bethlehem” special high speed; “Comokut” super high speed; carbon; finishing; non-shrinkable; stainless, rock and mine drill, solid and hollow; 35% nickel; “Cobaflex” magnet; “Bethalon” free machining, non-rusting screw stock; and other special grades.

TOOLS—Punches and dies, chisel blanks and chisels, hot and cold friction saws, rivet sets, steel stamps (letters and figures for hot and cold work), slitting shears, shear blades, digging bars, tool holder bits and special tools.

TUBING, RAIL STEEL—Structural, fence and guard rail.

TURBINES—“Bethlehem” geared marine, Curtis and Parsons types.

TURNABLES, RAILROAD—“Bethlehem” twin-span and balanced.

VESSELS—Passenger, combination passenger and cargo ships, oil tankers, freighters, refrigerating ships, car floats, ferry boats, yachts, tugs, barges, dredges; battleships, battle cruisers, scout cruisers, destroyers, submarines, and aeroplane carriers.

VESSEL REPAIRS—Repairing, reconditioning, converting and dry docking all types and sizes.

WIRE—Plain, bolt, screw, “Bethco” wood screw, extra soft rivet, chain, welding, hard bright nail, galvanized, “Bethanized,” and telephone; “Cambria” barbless twisted and all styles of barbed and fence wire; spring wire; wire bale ties.

WIRE SHAPES—All kinds for all purposes.

SUBSIDIARY COMPANIES

NAME	INCORPORATED	
	STATE	DATE
Bethlehem Chile Iron Mines Company	Delaware	Jan. 18, 1913
Bethlehem-Cuba Iron Mines Company	West Virginia	June 29, 1889
Bethlehem Iron & Steel Corporation	New York	Apr. 22, 1908
Bethlehem Land and Improvement Corporation	New York	Apr. 20, 1923
Bethlehem Mines Corporation	Delaware	Nov. 23, 1917
Bethlehem Securities Company	Pennsylvania	June 28, 1916
Bethlehem Shipbuilding Corporation, Ltd.	Delaware	Oct. 15, 1917
Bethlehem Steel Company	Pennsylvania	Apr. 17, 1899
Bethlehem Steel Company	Delaware	Feb. 6, 1923
Bethlehem Steel Company of Brazil	Delaware	Apr. 8, 1920
Bethlehem Steel Export Corporation	Delaware	Sept. 22, 1922
Bethlehem Steel Products Company	Pennsylvania	Oct. 8, 1908
Bethlehem Steel Realty Corporation	Pennsylvania	Jan. 31, 1907
Bethlehem Transportation Corporation	Delaware	Feb. 19, 1925
Beth-Mary Steel Corporation	Maryland	Dec. 22, 1921
Buena Vista Iron Company	New Jersey	Feb. 2, 1910
Buffington Water Company	Pennsylvania	Dec. 28, 1900
Calmar Steamship Corporation	Delaware	July 29, 1927
Cambria Inclined Plane Company	Pennsylvania	Sept. 6, 1889
Cambria Iron Company (a)	Pennsylvania	Aug. 27, 1852
Compania de Minas de Fierro "Las Truchas" S. A.	Mexico	Jan. 25, 1919
Conemaugh & Black Lick Railroad Company	Pennsylvania	Dec. 31, 1923
Conemaugh and Franklin Water Company (b)	Pennsylvania	May 16, 1893
Cornwall Railroad Company	Pennsylvania	May 25, 1850
Dundalk Company, The	Maryland	May 5, 1917
Dundalk Sewerage Company, The	Maryland	Apr. 22, 1918
Dundalk Water Company, The	Maryland	Apr. 22, 1918
East Wheatfield Water Company	Pennsylvania	Dec. 28, 1900
Ellsworth Collieries Company	Pennsylvania	Oct. 13, 1925
Fore River Railroad Corporation	Massachusetts	Jan. 6, 1919
Fore River Shipbuilding Corporation	Massachusetts	May 15, 1913
Franklin Iron Company, The	New Jersey	Mar. 14, 1871
Johnstown Water Company (98.29% Interest)	Pennsylvania	Apr. 11, 1866
Johnstown Water Corporation (c)	Delaware	Apr. 19, 1928
Juragua Iron Company	Pennsylvania	Nov. 18, 1903
Kalman Steel Company	Delaware	Jan. 2, 1920
Kalman Steel Corporation	Delaware	July 20, 1931
Lebanon Consolidated Water Company	Pennsylvania	Feb. 6, 1925
Lebanon County Light, Heat and Fuel Company, The	Pennsylvania	Dec. 27, 1904
Manufacturers Water Company, The	Pennsylvania	Feb. 19, 1900
McClintic-Marshall Corporation	Pennsylvania	Dec. 14, 1880
Northampton County Water Company	Pennsylvania	Jan. 6, 1916
Ore Steamship Corporation	Delaware	Aug. 2, 1915
Pacific Coast Steel Corporation	Delaware	July 1, 1919
Patapsco & Back Rivers Railroad Company	Maryland	Dec. 26, 1916
Penn Iron Mining Company	Michigan	June 26, 1882
Penn Iron Mining Company of Wisconsin	Wisconsin	Feb. 9, 1915
Penn Store Company	Michigan	Mar. 31, 1902
Philadelphia, Bethlehem and New England Railroad Company	Pennsylvania	Apr. 12, 1910
Pine Township Water Company	Pennsylvania	Feb. 10, 1903
Possum Glory Water Company	Pennsylvania	Feb. 10, 1903
Service Stores Corporation	Pennsylvania	Nov. 15, 1904
South Buffalo Railway Company	New York	Apr. 25, 1899
Steel Frame House Company	Delaware	May 16, 1930
Steel Frame House Finance Company	Delaware	Sept. 13, 1929
Steelton & Highspire Railroad Company	Pennsylvania	Nov. 16, 1916
Sunday Lake Iron Company, The	Michigan	Feb. 28, 1900
Union Iron Works Company	New Jersey	Jan. 7, 1905
Union Iron Works Dry Dock Company	California	Feb. 1, 1909

(a) \$8,465,625 of its capital stock is outstanding in hands of the public. Bethlehem Steel Products Company has agreed to pay an amount equal to 4% per annum thereon as rental for property held under 999 year lease.

(b) Subsidiary of Johnstown Water Company.

(c) \$1,804,000, par value, of 6% Cumulative Preferred Stock is outstanding in hands of the public.

SALES OFFICES

GENERAL SALES OFFICE

BETHLEHEM, PA.

DISTRICT AND FOREIGN OFFICES

NEW YORK CITY <i>Cunard Building</i>	CLEVELAND, OHIO <i>Terminal Tower</i>	SEATTLE, WASH. <i>28th Ave. S. W. and West Anodover St.</i>
PHILADELPHIA, PA. <i>Broad Street Station Building</i>	DETROIT, MICH. <i>General Motors Building</i>	PORTLAND, ORE. <i>American Bank Building</i>
BALTIMORE, MD. <i>Mercantile Trust Building</i> and <i>1101 Key Highway (a)</i>	CHICAGO, ILL. <i>Wrigley Building</i>	TORONTO, CANADA <i>Royal Bank Building</i>
WASHINGTON, D. C. <i>American Security Building</i>	MILWAUKEE, WIS. <i>Warner Theatre Building</i>	MONTREAL, CANADA <i>437 St. James Street</i>
BOSTON, MASS. <i>75 Federal Street</i>	ST. PAUL, MINN. <i>First National Bank Building</i>	VANCOUVER, B. C. <i>Marine Building</i>
BUFFALO, N. Y. <i>Bell & Abby Streets (b)</i> and	ST. LOUIS, MO. <i>Telephone Building</i> and <i>Security Building (c)</i>	HAVANA, CUBA <i>Royal Bank of Canada Building</i>
LACKAWANNA, N. Y. <i>Hamburg Turnpike</i>	ATLANTA, GA. <i>Candler Building</i>	SAN JUAN, PORTO RICO <i>1 Cruz Street</i>
ALBANY N. Y. (c) <i>Stratton Building</i>	HOUSTON, TEXAS <i>Petroleum Building</i>	MEXICO CITY, MEXICO <i>15 San Juan de Letran Street</i>
SYRACUSE, N. Y. (c) <i>Union Rental Co. Building</i>	SAN FRANCISCO, CAL. <i>20th & Illinois Streets</i>	TOKIO, JAPAN <i>Nippon Yusen Kaisha Building</i>
PITTSBURGH, PA. <i>Oliver Building</i>	LOS ANGELES, CAL. <i>Downey Rd. and East Slaussen Ave.</i> and <i>11,100 So. Central Avenue (b)</i>	MANILA, P. I. <i>Peoples Bank Building</i>
CINCINNATI, OHIO <i>Union Trust Building</i>	SAN PEDRO, CAL. (a)	HONOLULU, HAWAII <i>Schuman Building</i>
		BUENOS AIRES, ARGENTINA <i>567 Rogue Saenz Pena Avenue</i>

(a) Bethlehem Shipbuilding Corporation, Ltd., only.

(b) McClintic-Marshall Corporation only.

(c) Kalman Steel Corporation only.



